

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0506-0026

Case Title:

Ferguson Enterprises Inc.

Reporting Office:

Detroit, MI, Resident Office

Subject of Report:

Interview of (b)(6), (b)(7)(C), DWSD

Activity Date:

September 23, 2010

Reporting Official and Date:

(b)(6), (b)(6), (b)(7) RAC

26-SEP-2010, Signed by: (b)(6), (b)(6), RAC

Approving Official and Date:

(b)(6), (b)(7)(C), SAC

28-SEP-2010, Approved by: (b)(6), (b)(7)(C), SAC

SYNOPSIS

09/23/2010 - U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) Principal Construction Inspector, Detroit Water and Sewerage Department (DWSD) regarding the Baby Creek Combined Sewer Overflow (CSO) contract known as PC 748.

DETAILS

On September 23, 2010, U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) Principal Construction Inspector, Detroit Water and Sewerage Department (DWSD) regarding the Baby Creek Combined Sewer Overflow (CSO) contract known as PC 748. Also present during this interview was (b)(6), (b)(7) Deputy General Counsel, City of Detroit Law Department. (b)(6), (b)(7) was previously interviewed by SA (b)(6), (b)(7) as a part of this investigation. (b)(6), (b)(7) provided the following information:

(b)(6), (b)(7) believes that Ferguson Enterprises Inc.(FEI) was not treated more favorably than the other contractors on the PC 748 project and cited the fact that he held progress payments for work performed by FEI over defective and non compliant work. (b)(6), (b)(7) documented these issues in non compliance reports and did not receive any pushback from the DWSD management or from FEI on the issues. Examples of FEI's non compliant work included the failure to properly back fill the Patton Park site, having demolition debris in the soil used to grade Patton Park, and filing claims for the double handling of soils which were denied by the DWSD. FEI also installed a cheaper version of vaults than what the contract specifications called for in four or five locations. FEI would have realized a cost savings in the tens of thousands of dollars if the DWSD had not ordered the removal of the noncompliant vaults and made FEI replace them with the ones which met the specifications. On the Patton Park grading issue Walbridge ended up replacing FEI with WPM. Walbridge was responsible for paying for the additional costs incurred from the poor grading and debris contaminated soils.

(b)(6), (b)(7) recalled the instance where a 72 inch sewer line ended up shearing off the Baby Creek CSO basin. FEI had originally installed the line but Walbridge brought in another contractor to repair the line. (b)(6), (b)(7) does not recall which contractor this was but added that (b)(6), (b)(7) of Walbridge personally oversaw the repairs. (b)(6), (b)(7) thought that the line had to be repaired twice.

(b)(6), (b)(7)(C) was the Project Engineer for DWSD assigned to the Patton Park project.

(b)(6), (b)(7) would have been involved in any bid openings for this part of the contract. (b)(6), (b)(7) retired from the DWSD in early 2010.